



**Congressman Barney Frank**  
**Speech on the Floor of the U.S. House of Representatives**  
**National Homeownership Month**  
**June 26, 2005**

I am very pleased to join in support of this resolution. Indeed, I was a prime cosponsor. The main sponsor is our colleague, the gentleman from California (Mr. Gary G. Miller), who comes to Congress with a distinguished record himself in building homes.

This is a very important resolution, particularly at this time, because we have, I think, an excessive degree of concern right now about homeownership and its role in the economy.

Obviously, speculation is never a good thing. But those who argue that housing prices are now at the point of a bubble seem to be missing a very important point. Unlike previous examples, where substantial excessive inflation of prices later caused some problems, we are talking here about an entity, homeownership, homes, where there is not the degree of leverage that we have seen elsewhere.

This is not the dot-com situation. We had problems with people having invested in business plans for which there was no reality and people building fiber-optic cable for which there was no need. Homes that are occupied may see an ebb and flow in the price at a certain percentage level, but you will not see the collapse that you see when people talk about a bubble.

So those of us on our committee in particular will continue to push for homeownership. And I very much agree with the gentleman from Ohio who has chaired the Subcommittee on Housing and Community Opportunity of the Committee on Financial Services about the importance of this and about the various ways in which we do that.

Obviously, the market will take care of a large number of people, but it will not take care of everybody. And if we are going to expand homeownership, there will have to be a sensible set of public policies, such as reducing the down-payment in the FHA, such as protecting people from lending practices that may at first seem to benefit them but then victimize them. And I hope our committee will pass legislation that will protect people against that.

We also have pending now, and it came out of our committee, legislation dealing with those government-sponsored enterprises whose function is to promote homeownership and homes in general, the Federal Home Loan Banks, Freddie Mac and Fannie Mae. And I hope that legislation along the lines that came out of our committee, which enhances the regulatory regime but does not intrude unduly on their ability to function, will be maintained.

I also want to express my appreciation to the gentleman from Ohio for having noted a very important point that sometimes gets overlooked. Homeownership is an

important part of our policy, but it is not the entire housing policy of the Federal Government; nor is it the entire housing need of the Nation. Some people will never own. There will be people who choose not to own; there will be people who for their economic circumstances will not be able to own. And there is no conflict between promoting homeownership and recognizing that decent, affordable rental housing will also be very important indefinitely for tens and tens of millions of Americans.

I welcome the initiative that the gentleman from Ohio talked about with regard to improving our public policies so that we are able to expand the stock of affordable rental housing and do it in a way that protects both the renters themselves and the taxpayers.

I just want to add, as I bring these remarks to a close, Mr. Speaker, and I enjoyed working with the gentleman from California (Mr. Gary G. Miller), that I want to pay tribute to a couple of organizations that have done a good deal to help us with this. I found the National Association of Home Builders has been a very constructive participant in our efforts to promote homeownership. The National Association of Realtors has also played a very useful role in helping us shape public policies that expand homeownership.

There are also a variety of advocacy groups that work with us so that we can make homeownership available to people who might not on their own in a market situation be able to afford it, while those groups, of course, at the same time, work with us on the need for affordable housing.

So as an example of what we are trying to do for an overall comprehensive housing policy, I very much support this. And let us be clear: if a family is inadequately housed, if they either have housing that is not adequate or are paying far too much of their income to get adequate housing, then a degree of social disorganization can result which causes problems elsewhere.

So maintaining a comprehensive set of policies that expand housing opportunities for people at various levels of the income scale is a very important part of our responsibility, and I welcome the chance to support this resolution as an example of one important piece of that.